

(47)

BUSINESS PEOPLE

Peterson's Partner Expects Spotlight

When Peter G. Peterson surprised Wall Street last week with the announcement that he was stepping down as chairman and co-chief executive of Lehman Brothers Kuhn Loeb Inc., he added that he would be going into partnership with Eli S. Jacobs. The question for many was, "Eli who?"

Mr. Jacobs was described as a prominent venture capitalist. Although that is the case, he is not as well known as Mr. Peterson, who was Secretary of Commerce in the Nixon Administration.

Mr. Jacobs, who is 45 years old, has tried to stay in the background, preserving his privacy. But he said he realized that teaming up with his old friend Mr. Peterson would mean losing some of that privacy.

Mr. Jacobs and Mr. Peterson plan to form a private company that will manage their own assets, engage in venture capital investments and provide capital services.

"We will primarily invest in business as principals," Mr. Jacobs said yesterday. "We will basically continue what I've been doing and expand the size of what we do."

Mr. Peterson, he said, also wants to do corporate restructuring, advising large companies on reorganization. The firm will be doing leveraged buy-outs and investing in turnaround situations, actively engaging in management if need be. Mr. Jacobs said he was involved in each of the businesses he's invested in. "I've never been a passive investor," he said.

Mr. Jacobs grew up in Boston, where his father was a real estate investor. At Yale, Mr. Jacobs was managing editor of The Yale Daily News, and he went on to Yale Law School, although he has never practiced law. He became an investment banker with White Weld & Company and in 1968 was made a partner there, one of the youngest at the firm.

The year before, he had taken a year off to serve as president of the Bedford Stuyvesant D & S Corporation, which was designed to bring business solutions to some of the



The New York Times / Fred R. Conrad

Eli S. Jacobs

problems of that Brooklyn neighborhood. He is also interested in urban design and has served on commissions in New York City and during the Ford Administration.

A major concern, he said, is foreign policy and national security issues. He is a member of President Reagan's advisory panel on arms control and disarmament.

"My primary love is business," Mr. Jacobs said. He is chairman and, with \$40 million invested, the largest stockholder of Bio Response Inc., an emerging biotechnology company. In his portfolio, he said, are companies with "breakthrough potential," such as Bio Response, balanced by investments in specialty retailing and the oil business — "much more conventional and standard," he stated.

Mr. Jacobs is a director of the Times Mirror Company. He is based in Los Angeles and makes frequent trips to New York and Washington. One of his old friends in New York is Lewis Lehrman, who ran unsuccessfully for governor last year.